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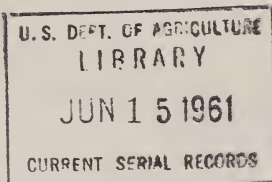
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October 1960
FOR RELEASE
OCT. 21, P. M.

The DEMAND and PRICE SITUATION

DPS-70



Approved by the Outlook and Situation Board, October 17, 1960

SUMMARY

Cash receipts from farm marketings in the first 9 months of 1960 were slightly less than 1 percent above the comparable period of 1959. A larger volume of marketings more than offset lower prices. Livestock and products receipts were down about 2 percent, mostly due to lower prices for cattle and calves. Increased marketings of crops, particularly of 1959 crop corn, the large 1960 crop of wheat, and higher potato prices were responsible for the 5 percent gain in crop receipts over the first 9 months of 1959.

Growing conditions remained favorable in September, according to the October Crop Report. Late crops matured even in Northern areas. With the improvement in September, the crop production index rose to a record 121 (1947-49=100), compared with 118 in 1958 and 1959. Prospects for feed grain, hay and forage, and tobacco crops improved the most during September. The composite 28 crop yield index as of October 1, remained at 140, second only to the 143 reached in 1958.

Prices received by farmers in mid-September averaged about 1 percent higher than mid-August but 1 percent below a year earlier. Increases in citrus fruit, dairy products, and eggs more than offset lower prices for meat animals, led by a seasonal drop in hogs. Prices for selected farm products on major central markets in the second week of October averaged about the same as in mid-September. Increases for hogs and broilers were about offset by declines for some grains, eggs, and slaughter cows.

(Continued on page 3)

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AGRICULTURAL MARKETING SERVICE
UNITED STATES DEPARTMENT OF AGRICULTURE

ECONOMIC FACTORS AFFECTING AGRICULTURE

Item	Unit or base period	1959		1960			
		Year	Sept.	June	July	Aug.	Sept.
Industrial production, seasonally adj. <u>1/</u>	1947-49=100	159	157	166	166	165	162
All manufactures	do.	158	156	165	165	163	161
Durable goods	do.	165	158	171	172	169	166
Nondurable goods	do.	155	159	163	163	162	160
Mining	do.	125	119	128	129	128	126
Utilities	do.	268	272	289	291	291	294
Construction:							
Total outlays, seasonally adjusted <u>2/</u>	Mil. dol.	56,105	4,637	4,608	4,626	4,584	4,620
Public construction	Mil. dol.	16,257	1,264	1,340	1,363	1,355	1,378
Private residential	Mil. dol.	24,469	2,082	1,864	1,859	1,815	1,807
Housing starts <u>3/*</u>	Thousands	1,517	1,509	1,302	1,182	1,295	1,077
Manufacturers' sales and inventories: <u>2/</u>							
Total sales, seasonally adjusted	Mil. dol.	29,758	29,818	30,780	30,440	30,140	
Durable goods	Mil. dol.	15,359	14,113	14,880	14,730	14,420	
Unfilled orders-sales ratio <u>5/</u>		3.25	3.39	2.99	3.03	3.09	
Inventory-sales ratio <u>6/</u>		1.73	1.74	1.79	1.80	1.82	
Durable goods		1.96	2.11	2.17	2.18	2.22	
Employment and wages: <u>7/</u>							
Total civilian employment	Millions	65.6	66.3	68.6	68.7	68.3	67.8
Nonagricultural	do.	59.7	60.1	61.7	61.8	61.8	61.2
Unemployment	do.	3.8	3.2	4.4	4.0	3.8	3.4
Workweek in manufacturing	Hours	40.3	40.3	40.0	39.8	39.8	39.6
Hourly earnings in manufacturing	Dollars	2.22	2.22	2.29	2.29	2.28	2.29
Income and spending:							
Personal income payments <u>2/ 3/</u>	Bil. dol.	383.3	384.3	406.1	407.3	408.2	408.4
Consumer credit outstanding <u>1/</u>	Mil. dol.	52,046	49,350	53,497	53,653	53,928	
Automobile	Mil. dol.	16,590	16,470	17,807	17,946	18,078	
Total retail sales, seasonally adj. <u>2/</u>	Mil. dol.	17,930	17,784	18,576	18,107	18,190	18,024
Durable goods	Mil. dol.	5,962	5,774	6,011	5,687	5,774	5,744
Inventory-sales ratio <u>6/</u>		1.36	1.39	1.36	1.40	1.38	
Prices:							
Wholesale prices, all commodities <u>4/</u>	1947-49=100	120	120	120	120	119	119
Commodities other than farm and food	do.	128	128	128	128	128	128
Farm products	do.	89	89	89	89	87	88
Foods processed	do.	107	108	108	109	108	108
Consumer price index, all items <u>4/</u>	1947-49=100	125	125	126	127	127	
Food	do.	118	119	120	121	120	
Prices received by farmers <u>8/</u>	1910-14=100	240	240	236	238	234	237
Crops	do.	221	220	221	226	218	221
Livestock and products	do.	256	257	248	249	247	251
Prices paid, interest, taxes and wage rates <u>8/</u>	1910-14=100	298	296	299	298	298	298
Family living items	do.	289	288	290	290	290	290
Production items	do.	266	264	265	263	262	263
Parity ratio <u>8/</u>		81	81	79	80	79	80
Farm income and marketings: <u>8/</u>							
Volume of farm marketings	1947-49=100	128	128	116	128	143	156
Cash receipts from farm marketings	Mil. dol.	33,146	2,760	2,464	2,687	2,991	3,400

Annual data for most of these items for years 1929, 1939, 1941 and 1946-59 appear on page 40 of the April 1960 issue of The Demand and Price Situation.

1/ Federal Reserve Board. 2/ U. S. Department of Commerce. 3/ Seasonally adjusted annual rates. 4/ U. S. Department of Labor, Bureau of Labor Statistics. 5/ Unfilled orders for durables divided by monthly deliveries. 6/ Inventories, book value, end of month, divided by sales. 7/ Bureau of the Census. 8/ U. S. Department of Agriculture, Agricultural Marketing Service. *Beginning May 1960 the series for housing starts includes farm and private nonfarm units. The nonfarm series has been adjusted for under coverage and different seasonal adjustment factors. Data for the new series are available back to January 1959.

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 T H E D E M A N D A N D P R I C E S I T U A T I O N
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Approved by the Outlook and Situation Board, October 17, 1960

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The cost of items purchased by urban and rural consumers has held steady in recent months; some weakness in durable goods prices about offset gains in services. Industrial wholesale prices have eased slightly since the first of the year.

Industrial output in September did not show the usual rise from the slack summer period. The Federal Reserve Board's index of industrial output in September was down 1 percent to 107 (1957=100), the second consecutive monthly decline. The steel industry continued to operate at about 55 percent of capacity, below earlier expectations. Small declines also occurred in output of nondurable goods, reflecting some easing in retail demand. New orders placed with manufacturers picked up, particularly among electronics and aircraft firms but order backlogs continued to drop as sales exceeded new orders. Businessmen in August reduced their inventory investment by \$200 million, primarily reflecting a reduction in retail stocks of 1960 automobiles. With sales declining, manufacturing and trade stock-sales ratios increased to 1.53 in August compared with 1.49 in January and 1.50 a year earlier. Construction activity leveled out in September, while housing starts declined from August. Employment and unemployment changes between August and September were mainly seasonal. Personal income was at an annual rate of \$408.4 billion in September, slightly higher than in August, and 6 percent above a year ago.

Commodity Highlights

Cattle slaughter this fall will be larger than last. Grass cattle slaughter will probably be up significantly but fed cattle marketings may not gain much over a year earlier. Little change in price from current levels is expected this fall. Hog slaughter will be noticeably smaller than last fall and seasonal price declines will be smaller than usual.

The seasonal decline in milk flow, along with the seasonal increase in fat content of milk accounted for most of the rise in price of manufacturing milk from \$3.20 per cwt. in mid-August to \$3.43 in mid-September. Other milk prices showed about the usual seasonal increases.

The national egg laying flock on October 1 numbered 289 million birds, down 5 percent from 1959; the 205 million pullets on hand were 11 percent fewer than last year. Supplies of farm chickens for meat are likely to continue relatively small, and prices to farmers are expected to remain firm well into 1961. Recent chick placements have been 15 to 20 percent above 1959, indicating relatively large marketings of broilers in late November and December and weak prices at year-end.

Soybean supplies for 1960-61 may be about 580-85 million bushels, a shade under the record level of the previous two years. Crushings for oil and meal probably will not differ much from the 395 million bushels estimated for 1959-60.

Feed prices probably will continue a little lower this fall and winter than those in the same period of 1959-60. The 1960 corn crop was estimated in October at 4.3 billion bushels, about 2 percent below last year. The total supply of a little over 6 billion bushels is 4 percent larger than last year.

The supply of rice for the marketing year which began August 1 is now estimated at 66 million cwt., 4 million below a year earlier. The carryover at the end of this marketing year is expected to be down to about 9 million cwt. compared with 12.1 million at the end of last year.

The 1960-61 crop of early and midseason oranges is expected to be about 2 percent below the 1959-60 crop, that of grapefruit not greatly different from last season. Production of apples is down from 1959 by about 12 percent, pears by 13 percent, and grapes by 4 percent.

Estimates in early October indicate that total supplies of vegetables for fresh market are about 5 percent larger than a year ago but moderately below average. If current production prospects materialize, prices received by farmers for fresh market vegetables this fall are expected to average moderately below those of last year.

Domestic mill consumption of cotton in 1960-61 may be as much as a half million bales smaller than the 9 million bales consumed in 1959-60. Consumption in August averaged about 34,200 bales per working day compared with 35,600 a year earlier.

Auction prices for this year's flue-cured tobacco crop through October 14 averaged 60.2 cents per pound, $1\frac{1}{2}$ cents higher than in the corresponding sales period last year. About 3 percent of market deliveries went under Government loan compared with 3.4 percent in the comparable period of 1959.

GENERAL BUSINESS CONDITIONS

Industrial output in September did not show the usual rise from the slack summer season. In September the Federal Reserve Board's index of industrial production was down 1 percent to 107, after seasonal adjustment, in contrast to the plateau of 109-111 (1957=100) range for the first half of 1960. The steel operating rate continued around 55 percent of capacity, below earlier anticipations. Production of 1961 auto models was rising in September, but output of other durable goods was trending lower. After registering gains during the first half of 1960, production of nondurable goods declined some during August and September, reflecting slight softening of retail demand. Personal income held steady. Changes in employment and unemployment were mainly seasonal. Prices were stable at retail with declines in some commodities about offsetting further increases in the cost of services.

Personal Income Steady

Personal income in September, at a \$408.4 billion annual rate, was fractionally higher than the August level of \$408.2 billion. Wage and salary payments declined \$400 million after holding steady in the two previous months. Wage and salary payments of manufacturing and distributive industries were lower with small gains in service establishments and Government only partially offsetting. Scattered gains in other sources of personal income, principally transfer payments, dividends and interest, were registered in September.

While personal income in September was 6 percent above a year ago, the rate of increase has slowed since last spring. Retail sales, which reached a peak of \$18.9 billion, seasonally adjusted, in April, have trended lower since; in September retail sales were \$18.0 billion, a little lower than July-August and 5 percent below April, but 1 percent above a year ago. Sales of durable goods stores have declined and in September were \$5.7 billion, 10 percent below the April high of \$6.3 billion and slightly below a year ago. Dealer sales of new automobiles declined between April-June and July-September along with lower unit prices on 1960 models, resulting in a sharp drop in the value of automotive group sales during the third quarter. However, dealers' sales picked up substantially in late September. Furniture and appliance store sales in July-August were $1\frac{1}{2}$ percent below April-June and 5 percent below a year ago. A major contributing factor was the low level of new housing activity compared with a year ago.

Sales of nondurable goods stores in September, at \$12.3 billion, were down $2\frac{1}{2}$ percent from last spring, but 2 percent above a year ago.

Consumer Credit Growth Slows

The volume of consumer instalment credit extended in August totaled \$4,029 million, seasonally adjusted, exceeding repayments of \$3,861 million by \$168 million. A year earlier, credit extensions of \$4,132 million exceeded repayments of \$3,635 million by \$497 million. The rise in instalment credit outstanding has slowed since April, reflecting declines in durable goods sales during recent months. Most of the rise in credit outstanding in August was for personal loans. Paper on automobiles and other consumer goods was about \$20 million higher compared with the increase of over \$400 million in August 1959.

Buying Plans Same As Year Ago

Consumers in July 1960 were planning to buy about as many new automobiles, washing machines, refrigerators and television sets during the next six months as in July 1959. In January and April of this year the proportion of consumers intending to buy has been moderately higher than in the same months of 1959. Plans to buy used cars in July were below a year earlier after holding close to year earlier rates in the two previous quarterly surveys. These are the major findings of the experimental Quarterly Survey of Consumer Buying Intentions conducted by the Bureau of the Census for the Board of Governors of the Federal Reserve System.

Industrial Production Lower

The Federal Reserve Board's index of industrial production in September was 107 (1957=100), seasonally adjusted, down 2 percent from July. Small declines were registered in both durable and nondurable goods industries. The primary metals index declined as iron and steel output failed to register the normal seasonal rise. The operating rate in steel mills continued around 55 percent of capacity during most of September and early October. Motor vehicle output rose as production of 1961 models picked up rapidly. The output of the fabricated metals, furniture and lumber industries was off in September. Among the nondurable manufacturers, textile output declined, and the index dropped a point to 114 (1957=100); but it was 1 point above a year ago.

Manufacturers' Sales Dip; New Orders Rise

Manufacturing sales declined again in August for the fifth month in a row. Most of the August decline occurred among durable goods firms; sales among nondurable goods firms were about the same in July and August. The book value of manufacturers' inventories at the end of August was \$54.9 billion, the same as at the end of July but \$2.8 billion above a year earlier. Larger inventories of durable goods accounted for about two-thirds of the increase in total manufacturers' stocks. The \$29.8 billion figure for manufacturers' new orders in

August was 2 percent greater than in July but below other months in 1960. In August the pickup in new orders was centered in durable goods, particularly electronics and aircraft. However, incoming business of fabricated metals and building materials firms also was better in August than in July.

Construction Outlays Higher

Outlays for new construction in September, at a \$55.4 billion annual rate, were up 1 percent from August and about the same as a year ago. Resident-tail construction outlays leveled out in September after dropping for more than a year. Nonfarm housing starts, which indicate future levels of housing activity, picked up more than seasonally in August, then declined in September. Declines in interest rates on mortgages and better availability of funds have contributed to the pickup. Other private outlays since February have held at an annual rate of around \$17 billion, rose in September to \$17.2 billion, due mainly to higher industrial and commercial outlays. Public construction outlays in September were at an annual rate of \$16.5 billion, up 10 percent from a year ago. Between August and September outlays for highways increased the most.

Employment Steady

Changes in employment and unemployment between August and September were mainly seasonal. In comparison with a year ago, employment and the civilian labor force were up about 1.4 million and 1.6 million, respectively. Civilian employment, seasonally adjusted, in September was 67.0 million, down a little from the summer high. Among nonagricultural establishments, employment has eased off fractionally in the last two months. Lower employment in manufacturing more than offset a small increase in Government; private nonmanufacturing employment held steady.

Unemployment in September, seasonally adjusted, totaled 4.0 million, down a little from August but up 188,000 from a year earlier. The increase in the labor force was a little more than the rise in job opportunities. The seasonally adjusted rate of unemployment was 5.7 percent of the civilian labor force compared with 5.6 percent a year earlier.

Prices Steady

In recent months retail prices of items bought by rural and urban consumers were unchanged but about 1 percent above a year ago. Prices of food dipped in August after rising since February. Prices paid by farmers for food dropped an additional 1 percent from August to September. This was offset by increased prices for clothing and house furnishings, leaving the rural consumer price level for mid-September unchanged for the fourth consecutive month.

The cost to urban consumers of all major food commodity groups was higher in August than at the beginning of the year. Prices of nondurables other than food were a little higher, but prices of durable goods eased, reflecting relatively large supplies and some softening of final demand since spring.

Wholesale industrial prices, at 128.2 (1947-49=100) in September, have held at this level since last May. Wholesale farm product prices declined 5 percent from April to August. Prices received by farmers turned up from the August level in September. The index in September, at 237 (1910-14=100), was about 1 percent below a year earlier. Between August and September higher prices for dairy products, eggs, and fruit more than offset the effect on the index of lower prices for meat animals, potatoes and broilers. The index of prices paid by farmers including interest, taxes and farm wage rates (the parity index), was unchanged between August and September. The parity ratio increased one point to 80 due to the increase in prices received by farmers between August and September together with an unchanged parity index.

Federal Budget 1960-61

Federal budget expenditures in fiscal year 1960-61 are estimated to total \$80.4 billion and budget receipts \$81.5 billion with a surplus of \$1.1 billion, based upon the 1961 Federal Budget Midyear Review released in early October. Expenditures are \$.6 billion higher, receipts \$2.5 billion lower and the surplus \$3.1 billion lower than the January Budget estimate. When compared with the fiscal year ended last June, receipts and expenditures are both up about \$3 billion, leaving a surplus of around \$1 billion for each fiscal year.

The rise in budget receipts between fiscal 1959-60 and 1960-61 is estimated to be mostly from higher individual income tax receipts. Corporate income tax receipts are estimated in 1960-61 to be about the same as in 1959-60. This estimate is based on an assumed level of corporate profits in calendar year 1960 the same as the record \$47 billion reached in calendar year 1959; corporation profits in the first quarter of 1960 were estimated at an annual rate of \$48.8 billion. Fiscal year 1961 corporate tax collections are determined largely by corporation profits in calendar year 1960.

Expenditures of all major functions except interest are expected to rise between 1959-60 and 1960-61. The increase in Federal civilian employee pay will result in larger outlays for almost every agency in 1960-61. There were also large increases in veterans, compensation and pensions, Federal aviation and space programs, some public works, and health and welfare programs. Expenditures for the agriculture and agricultural resources function of \$5.4 billion are estimated to be up about \$600 million from 1959-60.

Trust fund expenditures (funds held in trust for carrying out certain specific purposes), which have gained in importance in recent years, are estimated at \$22.9 billion, up \$1.2 billion from 1959-60. Expenditures for social security, Federal employees retirement, and unemployment benefit payments, are expected to rise in 1960-61. Expenditures under the highway trust fund of \$3.0 billion in 1960-61 are a little below the preceding year, although the payments to States will be stepped up in July-December 1960 by means of a repayable advance from the general fund.

Table 1.--Budget receipts and expenditures, fiscal years 1960 and 1961

Item	1960 actual	1961 estimate	Change from 1960 actual
	Mil. dol.	Mil. dol.	Mil. dol.
Receipts:			
Individual income taxes	40,718	43,706	2,988
Corporation income taxes	21,494	21,500	6
Excise taxes	9,133	9,429	296
All other receipts	7,024	6,835	-189
Total	78,368	81,470	3,102
Expenditures:			
Major national security	45,609	45,999	390
Agriculture and agricultural resources	4,848	5,441	593
Commerce and housing	2,778	3,795	1,017
International affairs and finance	1,821	2,183	362
Natural resources	1,713	2,025	312
Other expenditures	20,443	20,967	524
Total	77,212	80,410	3,198
Surplus (+) or deficit (-)	+1,156	+1,060	

Executive Office of the President, Bureau of the Budget.

CCC OPERATIONS, FISCAL YEAR 1959-60

The Commodity Credit Corporation's investment in price-support loans and inventories totaled \$8,525 million on June 30, 1960, compared with \$8,649 million a year earlier. Four commodities; wheat, cotton, corn and tobacco accounted for about 85 percent of the total investment on both dates. Of the total June 30, 1960 investment, price-support inventories were valued at \$7,223 million, some \$1,023 million more than the year earlier. The balance of \$1,302 million was in loans outstanding. This compared with loans of \$2,449 million on June 30, 1959. The decline in the relative importance of loans in total investment compared with inventories was due largely to a change in the method of price-support for cotton.

Total investment in price-support commodities of \$8.5 billion represented approximately 66 percent of the Corporation's borrowings of \$12.9 billion, the same proportion as a year earlier. The balance of the borrowings was used primarily

for financing commodity disposal program costs recoverable through appropriations (under P. L. 480, the International Wheat Agreement Act, etc.) and losses on the disposition of commodities not yet restored by Congress. 1/

Expenditures budgeted for CCC operations, including special activities financed by CCC, totaled \$3,260 million in 1959-60. Budget expenditures for 1960-61 are scheduled at about \$3,900 million. The increase is provided to finance the larger volume of grains expected to move under price-support during 1960-61.

Support Extended During 1959-60

Support extended on 1959 crops totaled \$3,194 million with support on cotton, corn, and wheat accounting for more than 80 percent of the total. This compares with nearly \$4,000 million in price support extended on 1958 crops. Additional loans extended in 1959-60 on over-deliveries of commodities to CCC and support extended on 1960 crops brings total support extended in 1959-60 to a little over \$3,400 million. But producers repayed loans totaling some \$705 million resulting in net support extended by CCC during 1959-60 of nearly \$2,700 million.

During 1959-60 a total of 14.7 million bales of cotton was acquired by CCC and 10.7 million bales moved into domestic and into a greatly expanded export market. This large acquisition was due to the change made in the support program for cotton which required the purchase of most of the 1959 crop. These transactions left a CCC carryover on June 30, 1960, of 5 million bales up from only 1.0 million a year earlier. There was a further build up in CCC stocks of wheat, corn, and dairy products while stocks of rice, other grains, and oils were reduced during the year.

Sales and Disposition

Sales, donations and other disposition of CCC held commodities in 1959-60 had a cost value of \$3,433 million, up more than \$960 million from dispositions in 1958-59. In addition, transfers of strategic and critical materials acquired under the barter program brought CCC dispositions to a total of \$3,598 million. Domestic dispositions, mainly dollar sales, made up \$2,694 million

1/ A net loss of \$740 million was incurred during 1959-60 in the disposition of price-support inventories, of which \$244 million represented domestic and foreign donations and \$496 million the net loss on sales and transfers.

Recoverable program costs for 1959-60 include the gross cost of financing exports under Titles I and II of Public Law 480 of about \$1,373 million (representing commodity exports with a market value of about \$875 million), \$76 million for payments and export differentials under the International Wheat Agreement and \$54 million under the National Wool Act.

Table 2.--Price support activities, fiscal years
1958-59 and 1959-60

Item	:	1958-59	:	1959-60
		<u>Mil. dol.</u>		<u>Mil. dol.</u>
Investment at beginning of year	:			
Loans outstanding	:	1,575		2,449
Inventory	:	<u>5,455</u>		<u>6,200</u>
Total	:	<u>7,030</u>		<u>8,649</u>
Basic commodities	:	<u>5,970</u>		<u>7,346</u>
Other commodities <u>1/</u>	:	1,060		1,303
Net support extended during year <u>2/</u>	:	<u>3,432</u>		<u>2,698</u>
Support extended on current crop <u>3/</u>	:	<u>450</u>		<u>575</u>
Corn	:			
Cotton, upland	:	1,158		1,467
Wheat	:	1,110		561
Other	:	1,274		591
Support extended on next year's crop	:	109		121
Additional support extended <u>4/</u>	:	87		103
Producer repayments <u>5/</u>	:	-678		-705
Carrying charges	:	<u>658</u>		<u>611</u>
Sales, donations and other dispositions <u>6/</u>	:	<u>2,471</u>		<u>3,433</u>
Basic commodities	:	<u>1,634</u>		<u>2,832</u>
Other commodities	:	837		601
Investment at end of year	:			
Loans outstanding	:	2,449		1,302
Inventory	:	<u>6,200</u>		<u>7,223</u>
Total	:	<u>8,649</u>		<u>8,525</u>
Basic commodities	:	<u>7,346</u>		<u>7,312</u>
Other commodities <u>1/</u>	:	1,303		1,213

1/ Includes strategic and critical materials acquired through the barter program.

2/ Includes accounting adjustment of \$80 million in 1958-59 and \$15 million in 1959-60 to convert detailed data on loans and purchases to net support extended.

3/ For 1958-59, the current crop refers to the 1958 crop; for fiscal year 1959-60, it refers to the 1959 crop.

4/ Includes loans extended on over-deliveries of commodities.

5/ Includes other reductions to loans of \$4 million in 1958-59 and \$2 million in 1959-60.

6/ Excludes transfers of barter commodities.

of this, with cotton accounting for more than \$1,500 million of the dollar sales. However it is not possible to determine the exact proportion of total dispositions which were used domestically or exported. The CCC has greatly curtailed sales for export at special prices, in favor of payment-in-kind programs on exports of cotton and grains from commercial stocks. With both domestic and export requirements obtainable from CCC at the same price, there is no way of knowing where the commodity is finally used.

Table 3.--CCC Operations, selected commodities, 1959-60

Commodity	Unit	Inven- tory 1/ 7/1/59	Net Acquisi- tions 2/ 2/	Dispositions			Inven- tory 1/ 6/30/60
				Domes- tic	Foreign	Total	
		Mil.	Mil.	Mil.	Mil.	Mil.	Mil.
BASIC COMMODITIES							
Corn (including cornmeal)	bu.	1,044	274	115	44	159	1,158
Cotton, all kinds	ba.	1.0	14.7	3/10.5	.2	10.7	5.1
Peanuts, farmers stock basis	lbs.	183	296	278	36	314	165
Rice, rough basis	cwt.	9.8	9.7	4.4	7.7	12.2	7.3
Wheat (including wheat flour)	bu.	1,147	230	26	154	180	1,195
DESIGNATED NONBASICS							
Barley	bu.	99	31	31	28	59	71
Grain sorghums	cwt.	281	55	8	9	17	319
Oats	bu.	47	14	42	4	46	15
Butter and cheese	lb.	98	164	120	29	149	113
Dry milk	lb.	136	787	109	514	623	300
OTHER NONBASICS							
Flaxseed	bu.	7	1	7	1	8	4/
Linseed oil	lb.	11	45	4/	56	56	4/
Soybeans	bu.	55	23	57	1	58	20

1/ Inventories include commodities committed to sale or otherwise obligated.

2/ Purchases, collateral acquired, warehouse settlements, exchange and transfers.

3/ Includes 1.5 million bales with a value of \$246 million representing payments-in-kind on exports.

4/ Less than .5.

CCC Report of Financial Condition and Operations as of June 30, 1960.

CCC Investment
Expected To Rise

Total investment of \$8.5 billion on June 30, 1960, is down about \$125 million from a year earlier. The cost of dispositions exceeded net support extended and carrying changes in 1959-60 by about this amount.

The 1960 wheat crop exceeds last year's crop by 240 million bushels and probably most of this increase will go under price support. Movement of the larger 1960 wheat crop into CCC through August this year totaled 252 million bushels, compared with 174 million for the same period from the 1959 crop. Current supply indications for corn and prospective distribution point to a further build up in CCC stocks of corn. With prospects for large cotton exports again in 1960-61, there may be little change in CCC stocks of cotton.

FARM INCOME

Cash receipts from farm marketings totaled \$22.9 billion in the first 9 months of 1960; they were slightly less than 1 percent above January-September 1959. A 3 percent increase in the volume of marketings more than offset a 2 percent decline in prices received by farmers. Receipts from livestock and products, totaling \$13.8 billion were down 2 percent from 1959 with smaller receipts for cattle and calves accounting for most of the decline. Marketings of cattle and calves were some 6 percent above January-September 1959, but lower prices more than offset larger marketings. Cash receipts from wholesale milk, broilers, eggs, turkeys, and hogs were above a year earlier. Receipts from crops totaling \$9.1 billion exceeded the first 9 months of 1959 by nearly 5 percent. Larger marketings accounted for the increase; crop prices for the period averaged about the same as a year earlier. Grains in cash receipts over a year ago were registered by corn, wheat, potatoes, soybeans, tobacco, and hay. Receipts from cotton, oranges, sorghum grain and barley were less than in January-September of 1959.

Cash receipts for September are tentatively placed at \$3.4 billion, about 1 percent above September 1959. Receipts from livestock and products, totaling \$1.7 billion, were down a little, while receipts from crops, also \$1.7 billion, were up. Marketings of cattle and calves exceeded September 1959, but lower prices more than offset greater volume. Receipts from hogs were down slightly, but eggs, broilers and wholesale milk receipts gained compared with a year earlier. Receipts from crops during September reflected larger marketings while prices, in the aggregate, were changed little from a year ago. Tobacco and wheat contributed largely to the gain for crops.

LIVESTOCK AND MEAT

Red meat production in July-September this year was about 3 percent larger than the output in the third quarter of 1959. In the final quarter, however, meat production will be somewhat smaller than last fall, because hog slaughter is running at a lower level than a year ago. Supplies of meat per person for 1960 are estimated to be about a pound more than 1959, as approximately 4 pounds less pork per person were more than offset by larger supplies of beef and other meats.

Cattle slaughter thus far this year has been about 10 percent larger than a year before although average weights are a little lighter. Cattle slaughter this fall will continue larger than last fall. Grass cattle slaughter will probably be up significantly but fed cattle marketings may not show much gain over a year earlier. The number of cattle and calves on feed October 1 in 26 States was 1 percent greater than last October. Marketings planned during November-December were 3 percent larger than in these months in 1959. Prospects are for cattle prices to change relatively little from current levels this fall although some strengthening late in the year is possible.

Hog slaughter will be noticeably smaller this fall than last. March-May farrowings, which provide the bulk of fall slaughter supplies, were 13 percent smaller than a year earlier. This is in line with smaller inventories of pigs, 3-6 months of age, in 10 Corn Belt States September 1. In early October the average price of barrows and gilts at 8 markets was about \$17.50 per 100 pounds, \$4.50 above a year earlier. While some seasonal price declines are likely this fall they are expected to be smaller than usual. In fact, hog prices may fluctuate within a relatively narrow range this fall and winter.

Sheep and lamb slaughter in the final 3 months of the year often is near the same level as that in July-September. If this proves to be the case this year, slaughter will be moderately larger this fall than last. This would allow for a little change in the number of sheep and lambs on farms during 1960. Most of any gain in inventories will be in numbers on feed. In September, the average price of lambs to producers was \$16.70 per 100 pounds, \$1.90 below a year earlier. Prices this fall are expected to continue below last fall. The difference will probably narrow by the year's end.

DAIRY PRODUCTS

Milk production has been seasonally declining since May and will reach its low point in November. Output in most months this year has been 1 percent ahead of 1959. It dropped in June close to the 1959 level and later increased relative to a year ago. However, in September it was 0.3 percent higher than during the same month last year. Despite somewhat better pasture conditions than in 1959, monthly milk flow per cow has not registered the impressive year-to-year gains that have characterized the last 7 years. Gains during this period have ranged from 2.0 to 4.6 percent. Since May output per cow has been less than 1 percent greater than a year ago. Total milk production for the year nevertheless will exceed 1959 although it will not reach the previous high of 125.9 billion pounds of 1957.

Most of the increase in milk production over last year was utilized in manufactured products. Butter, cheese, ice cream and nonfat dried milk production have all been higher in practically every month of 1960 than in 1959; production of evaporated milk was lower. The surplus of milkfat this year has been sold to CCC as butter; cheese sales have been negligible. Total sales of butter from January to early October totaled 141 million pounds, compared to 124 million pounds in the same period last year.

Only minor quantities of butterfat have been removed from the market through purchases by the CCC since early September but it has continued to buy substantial quantities of nonfat dry milk. Deliveries of this product to CCC from January through September were 724 million pounds compared to 703 million pounds in the corresponding period last year.

Per capita consumption of milk products on a milk equivalent (fat solids) basis may reach a new low in 1960, perhaps less than 670 pounds, compared with 678 pounds in 1959 and the average of 742 pounds in 1947-49. Per capita use of milk solids-not-fat will be close to a record level.

Reflecting mainly the seasonal decline in milk flow and seasonal rise in fat test, the price of manufacturing milk increased from \$3.20 per cwt. in mid-August to \$3.43 in mid-September compared with last September's price of \$3.28. Over the last 5 years the usual August-to-September increase has ranged between 13 and 15 cents. Other milk prices showed about the usual seasonal increases; all have been running higher this year than in 1959. Non-fat dry milk, which had been selling in line with the old support level, advanced half a cent after the rise in CCC paying price on September 17. More recently the wholesale price of butter retreated and in mid-October was just a bit above the support buying-price.

POULTRY AND EGGS

Average egg prices received by farmers rose to 38.6 cents per dozen in mid-September, the highest since late 1958. After midmonth there were further rises, particularly in the eastern two-thirds of the United States. Average prices to farmers for mid-September were about 5 cents per dozen higher than last year, and 4 cents higher than August 1960.

Many grades of eggs in specific markets exceeded year-ago prices by even wider margins. Medium and small eggs in New York City sold at wholesale 10 cents and more above 1959 prices, reflecting a sharp cutback in production of these sizes, in proportion to the reduced number of pullets coming into production this year.

On October 1, the National laying flock numbered 289 million birds, down 5 percent from 1959; but the 205 million pullets on hand (laying and not yet laying) were 11 percent fewer than in 1959. This indicates that the laying flock through mid-1961 will continue smaller than the year before.

Because of the smaller size of the total flock, farmers are reluctant to sell their layers, and the prices of hens for meat have declined less than usual this fall. At 12.0 cents per pound in mid-September the average price to farmers for farm chickens (mostly hens) was 2.5 cents above 1959 and only 1.4 cents below the 1960 peak which occurred in April. Last year the mid-September price was 4 cents lower than the March 1959 peak. The smaller prospective laying flock provides a smaller base from which to draw hens for sale, so supplies of these birds are likely to continue relatively small and prices firm well into 1961.

But broilers present a different picture. The mid-September price--16.1 cents--was higher than a year ago, but the margin was the smallest since January; and prices have weakened further since mid-September. Recent chick placements have been 15 to 20 percent above 1959, indicating proportionately large marketings in late November and December, and weak prices at year-end.

In a program ended October 5, the Department of Agriculture bought about 19 million pounds of frozen ready-to-cook turkeys for School Lunches, paralleling the program under which 22 million pounds were bought in 1959. These quantities are about 2 percent of the respective annual crops, which were records in both years at about 82 million birds. The average turkey price to farmers in mid-September was 24.6 cents per pound, up from both the 23.8 cents for the month before and the 22.4 cents a year before.

OILSEEDS, FATS AND OILS

Soybean crushings during the 1959-60 marketing year ended September 30 are placed at 395 million bushels, only about 5 million bushels below the record of the previous season. This near record crushing was stimulated by (1) record domestic disappearance of soybean oil, (2) record export of soybean oil bolstered by large P. L. 480 shipments, and (3) large takings of soybean meal domestically and record exports of soybean meal.

Exports of soybeans during 1959-60 totaled a record 140 million bushels compared with exports of 110 million bushels last year. Soybean imports by Western Europe, particularly the United Kingdom and the Netherlands, increased sharply as well as those to Japan.

Prices received by farmers for 1959 crop soybeans were unusually stable, averaging \$1.97 per bushel, 12 cents above the national average support price of \$1.85 per bushel. In 1959, soybean prices did not make their usual fall dip. Contributing causes were wet weather, which delayed harvesting and marketings, and resulted in small free supplies, along with strong crusher and export demand. As a consequence, CCC during October-December sold more than 30 million bushels of soybeans at 20 cents and more per bushel above the support price. These sales during the 1959 harvesting period helped stabilize prices.

Soybean supplies for 1960-61 may be around 580-585 million bushels, just a shade under the record level of the previous two years. Crushings for oil

and meal probably will not differ much from the 395 million bushels estimated for 1959-60. Soybean exports in 1960-61 are expected to approximate the record 140 million bushels shipped during the past marketing year. Major importing areas, such as Western Europe and Japan, will continue to need large imports of U. S. oilseeds and/or oilseed products. Furthermore, U. S. soybeans probably will continue to be competitively priced in world markets. Also, rising world population and a high level of economic activity is expected to contribute to a strong demand for soybeans in most parts of the world.

Farm prices have declined seasonally this fall as marketings of 1960 crop soybeans increased in volume. After the fall harvest decline this year soybean prices will increase seasonally. As CCC held only about 9 million bushels of soybeans on October 1, 1960, its sales policy will have less effect on prices during the course of the marketing year, at least until maturity of 1960 crop loans.

FEED

Feed grain prices in September this year averaged 3 percent lower, and high-protein feed prices 1 percent lower, than average prices a year ago. Average prices received by farmers for each of the four feed grains were a little lower than a year ago. Feed prices will likely continue a little lower this fall and winter than those in the same period of 1959-60. Prices of corn and sorghum grains have declined in recent weeks with the beginning of harvest of big 1960 crops. In early October, the price of No. 3 Yellow corn at Chicago averaged \$1.11 per bushel, 7 cents lower than a year earlier. The price of No. 2 Milo at Kansas City averaged \$1.56 per 100 pounds, nearly 30 cents below the seasonal high in August and 10 cents lower than a year ago.

The national support for 1960 corn is \$1.06 per bushel, 6 cents lower than in 1959; sorghum grain support is \$1.52 per 100 pounds, the same as last year. The average price of corn in September was at the 1960 national average support level, while sorghum grain prices averaged 3 cents below. Prices of oats and barley continued above the 1960 support. The quantity of oats and barley going under price support is expected to be comparatively small in 1960-61, as it was in 1959-60.

The total feed concentrate supply for 1960-61 is estimated at 271 million tons, on the basis of October 1 indications, 8 million tons above the record supply last year. The 1960 production of feed grains was estimated at 165 million tons, slightly below the record crop last year but this is more than offset by an increase in carryover. The big crop this year would be sufficient to maintain disappearance at the record level reached in 1959-60 and leave a little larger carryover at the close of the 1960-61 season.

The 1960 corn crop was estimated in October at 4,259 million bushels, about 100 million less than last year. The total supply of a little over 6 billion bushels is 4 percent larger than last year and a third above the 1954-58 average. The sorghum grain supply is estimated at close to 1.2 billion bushels, nearly 100 million above last year and more than double the 5-year average.

The oat supply is about the same as the small supply in 1959-60. The barley supply is 5 percent smaller than last year, but 8 percent above the 5-year average.

WHEAT

Market prices of wheat are generally close to, or above the effective support level, reflecting the near record quantity of wheat placed under the support program, other withholding by growers and large export sales. Prices of most proteins are above the effective support. Wheat prices at most terminal markets in mid-October were above a month earlier, with the price of No. 2 at St. Louis up 6 cents.

The total U. S. wheat supply for the marketing year which began July 1, 1960, estimated at 2,688 million bushels, is 11 percent above the previous record a year ago. This gain over last year results primarily from the larger crop in 1960, which is estimated at 1,368 million bushels compared with 1,128 million in 1959. The July 1, 1960 carryover of 1,313 million bushels was only 18 million larger than on July 1 last year. The supply also includes an allowance for imports of about 7 million bushels, mostly of feeding quality wheat and wheat for seed.

Exports in 1960-61 are now estimated at 550 million bushels, compared with the previous estimate of 525 million bushels and the 512 million exported in 1959-60. This would equal the all-time record reached in 1956-57. The greatest gain will be in sales to the traditional dollar markets of Western Europe.

With domestic disappearance expected to total 610 million bushels in 1959-60, about the same as a year earlier, these figures indicate a carryover on July 1, 1961, of about 1,525 million bushels, which would be an increase of over 200 million bushels.

RICE

The supply of rice for the marketing year, which began August 1, 1960, is now estimated at 65.9 million cwt., rough rice equivalent. This is 3.7 million cwt. below a year ago and 7.1 million below the 1954-58 average. Production, indicated as of October 1 at 53.4 million cwt., is only slightly above the 53.1 million produced in 1959 but the August 1 carryover of 12.1 million cwt. is down 22 percent, reflecting large exports in 1959-60. These amounted to 29.2 million cwt., compared with 19.7 million a year earlier, 21.7 million in the 1954-59 average and the 37.5 million record in 1956-57.

Domestic disappearance in 1960-61 is estimated at 28.8 million cwt., which is about the same as the revised figure for a year earlier. Exports may total close to 29 million cwt., which would be below those of 1959-60 but still the third largest of record. The carryover August 1, 1961 may be about 9.0 million cwt., down from the 12.1 million August 1, 1960 and sharply below the record large 34.6 million of 4 years ago.

Prices received by farmers in 1959-60, including an allowance for unredeemed loans, averaged \$4.60 per cwt., 22 cents above the national support of \$4.38. In 1960-61, they are expected again to average above the support rate of \$4.42. Prices received by farmers in mid-September averaged \$4.30 per cwt., which compared with \$4.52 a year earlier and \$4.77 in mid-September 1958. The quantity of rice placed under the support program through August 31, 1960 totaled 10.4 million cwt.; this compares with 2.1 million for the same date a year earlier.

FRUIT

Production of early and mid-season oranges in 1960-61 is expected to be about 2 percent smaller than in 1959-60 but 2 percent above the 1949-58 average. A large reduction in California and a small one in Arizona, where the sets of fruit were light, more than offset increases in other States. The Florida crop is expected to be 3 percent above 1959-60, despite substantial losses from hurricane Donna. The Florida crop of tangerines, also damaged by Donna, is still expected to be about 50 percent above the light 1959-60 crop. Prospective production of grapefruit (excluding the California summer crop) is slightly above 1959-60. A substantial increase in Texas, where production is trending upward, more than offset decreases in other States. Though hurricane damage to Florida grapefruit was heavy, the 1960-61 crop in this State is expected to be only a little below the light 1959-60 crop.

An important effect of hurricane Donna is a delay in the market movement of new crop citrus from Florida, the usual leader with the new crop. Nearly-ripe grapefruit and oranges that would have been ready to harvest in late September or early October were blown to the ground. A few grapefruit were picked in late September, and by mid-October the volume marketed was increasing rapidly. But it is expected to be late October before sufficient oranges will be mature enough to market in large volume. Meanwhile, relatively light shipments of 1959-60 crop California Valencia oranges and some summer grapefruit continued to be marketed. Prices for California Valencias at shipping points and on principal auctions averaged much higher in early October than a year earlier. Prices for California lemons also were somewhat above the levels of a year earlier.

Another effect of hurricane Donna is expected to be some delay in volume packing of canned and frozen citrus juices in Florida. This will contribute to lighter carryover stocks than otherwise before substantial supplies from the new packs become available. An indirect effect of the storm is likely to be higher early-season prices for fresh citrus than prices that otherwise would have been paid. On October 1, 1960, Florida processors' stocks of frozen orange concentrate were about 20 percent below the heavy stocks of a year earlier, but those of canned single-strength juices were up about 15 percent.

Prospects for apples, pears, grapes and plums declined during September, and total production of deciduous fruits is estimated to be 8 percent smaller

than in 1959. Heavy windfalls of apples in North Atlantic States, were caused by hurricane Donna. Most of the windfall apples were salvaged, but at reduced prices. The 1960 apple crop is now 12 percent lighter than the above average 1959 crop. Among other crops continuing to be harvested in fall, production of pears is down about 13 percent from 1959, and output of grapes is down 4 percent. The cranberry crop is expected to be about 6 percent above the record 1959 crop. In early October, grower prices for apples and pears were above a year earlier, those of grapes varied around the levels of the same time last year. Early-season prices for Massachusetts cranberries on the New York wholesale market were a little above last year.

COMMERCIAL VEGETABLES

For Fresh Market

Estimates in early October indicate that total supplies of vegetables for fresh market are about 5 percent larger than in 1959, and close to the 1949-58 average. Substantially larger production of cabbage, cauliflower, and broccoli account for most of the increase compared with 1959, but production of celery, and cucumbers is up slightly. Prospective production of spinach is the same as last fall. Supplies of most other fall vegetables are expected to be down, with substantially less green peppers, and slightly to moderately less lettuce and tomatoes.

As disposable income of consumers is expected to be well maintained, demand for vegetables in the next few months is likely to continue strong. Prices received by farmers for fresh market vegetables this fall may average below the relatively high level of last fall.

Supplies of canned vegetables appear to be a little smaller than those of a year earlier. Supplies of asparagus, snap beans and sauerkraut are larger than a year ago, but supplies of green peas are materially smaller than last season and sweet corn probably significantly smaller. Based on smaller carry-over stocks together with a larger reported tonnage for processing, it appears that aggregate supplies of tomatoes, tomato juice, and tomato products are about the same as a year ago. October 1 stocks of frozen vegetables are near those of a year ago, and 7 percent above the 1955-59 average.

Distributor demand for processed vegetables in the early part of this season has been more active than the dull demand of a year earlier, and f.o.b. prices of most items have averaged higher than a year ago. With close to the same overall supplies in prospect, a continued high level of demand, and high processing and distribution costs, both f.o.b. and retail prices are expected to continue moderately above those of last season.

POTATOES AND SWEETPOTATOES

Supplies of potatoes available during the next few months probably will be slightly larger than a year earlier. Production of fall crop potatoes, at 172 million cwt. was about 4 percent larger this year than in 1959. Continued strong processor demand is expected to be a favorable market factor. Production

in the Western States is slightly smaller than a year ago. Because of somewhat larger crops in the Eastern and Central States, prices of potatoes in these areas are likely to average somewhat lower this season than last. Acreage of potatoes for winter harvest is down 2 percent from last year.

Supplies of sweetpotatoes available into mid-1961 are substantially smaller than a year ago. Production was down about a fifth from 1959 with significant cuts in all major producing areas, except New Jersey and Maryland-Virginia. With the demand for sweetpotatoes expected to be about the same as last season, prices for the season are expected to average substantially above those of last season.

Dry Beans and Peas

Supplies of dry edible beans are slightly smaller than a year ago. Domestic demand for beans in the current season may be about the same as last season. This would mean significantly smaller quantities of beans for export this season than last. However, heavy supplies of pea beans will be available. Unless exports of this class are substantially above the high level of last season, supplies appear to be larger than needed to meet domestic and export demand. Supplies of colored classes of beans again are below average, and prices to growers for these classes are likely to be relatively high, though perhaps below those of last season.

Supplies of dry peas are much smaller than a year ago. Foreign demand for peas may be below the high level of last season, but only about half as many peas will be available for export. Because of much smaller supplies, prices to growers for Alaskas and other smooth green types of peas are expected to average materially above those of the 1959-60 season.

COTTON

The supply of cotton in the United States during the 1960-61 marketing year is estimated at about 22.2 million bales, about 1.4 million bales smaller than that of the preceding season. A smaller starting carryover is the cause of most of the decline. The 1960 carryover is 1.3 million bales less than a year earlier. The 1960 crop is expected to be about the same size as that of 1959, around 14.5 million running bales.

The carryover on August 1, 1961 is expected to be not greatly different from the preliminary figure for 1960, about 7.6 million bales. Estimated disappearance of approximately 14.5 million bales in the 1960-61 marketing year probably will about balance the 1960 crop.

Exports during the current season are expected to be around 6 million bales, compared with 7.2 million during 1959-60. Current registrations under the payment-in-kind program for the 1960-61 season, as of October 7, totaled about 2.5 million bales, slightly larger than such registrations approximately a year earlier. As of September 9, cotton authorized for export under Government financed programs in the 1960-61 fiscal year is estimated at about 1.7 mil-

lion bales and valued at about \$210 million. Additional authorizations may be made later. During the entire 1959-60 fiscal year about 1.4 million bales were exported under Government financed programs. Prices for United States cotton landed in Bremen and Liverpool increased in September.

Domestic mill consumption of cotton in 1960-61 may be as much as a half million bales smaller than the 9 million bales consumed in 1959-60. The rate of mill consumption in August averaged about 34,200 bales per working day, compared with 35,600 a year earlier. On a seasonally adjusted basis, the rate in August 1960 indicates total consumption in 1960-61 of less than 8-3/4 million bales. Additional indicators of smaller consumption over the last few months were a steadily rising stock-unfilled order ratio for cotton broadwoven goods, declining prices for fabric, and large imports of cotton broadwoven goods.

Imports of cotton fabric were larger than exports of such fabric in the first six months of 1960. This reversal of the usual relationship was caused primarily by a tripling of imports over a year earlier. Imports of cotton fabric in January-June 1960 were about 252.3 million square yards, compared with 81.9 million in the same period a year earlier. Exports of cotton fabric were 234.2 million square yards in January-June 1960 compared with 239.1 million a year earlier.

On August 1, 1960, CCC held (owned and held as collateral against outstanding price support loans) about 5.0 million bales. A year earlier CCC held about 7 million bales. The CCC-held stocks on August 1 represented about two-thirds of the 1960 carryover, compared with approximately 79 percent a year earlier.

The average 14 spot market price for Middling 1-inch cotton in September was 30.52 cents per pound. This compared with 31.77 cents per pound in September 1959. The lower price reflects in part the lower support level for the current crop. The Choice B loan rate at the 14 markets for Middling 1-inch cotton during the current season averages 26.92 cents per pound. During the 1959-60 marketing year it was 28.69 cents per pound.

WOOL

U. S. mill consumption of raw wool during January-August 1960 amounted to 278.2 million pounds, scoured basis, 4 percent less than the same period a year ago. Apparel wool use totaled 170.6 million pounds, 4 percent less than the first 8 months last year. Carpet wool mill use amounted to 107.6 million pounds, 5 percent less than a year ago.

The seasonally adjusted average weekly rate of apparel wool mill consumption for August 1960 was 4,770 thousand pounds, 4 percent less than the rate in August 1959 but 1 percent more than in July 1960. The seasonally adjusted average weekly rate of carpet-wool mill use in August 1960 was 3,392 thousand pounds, 3 percent more than the rate in August 1959 and 4 percent more than July 1960.

Domestic production of woolen and worsted fabric (except felt) during the second quarter of 1960 totaled 80.7 million linear yards, 6 percent less than the second quarter of 1959, but 9 percent more than the first quarter of 1960. Output of woven felt during April-June 1960 totaled 2.3 million pounds, about the same as January-March 1960, but slightly less than during April-June 1959.

Shipments of woven wool and blended carpets and rugs during January-July 1960 totaled 28.8 million square yards, 15 percent less than the quantity shipped in the first 7 months last year.

Imports of raw wool for mill consumption during January-August 1960 totaled 164 million pounds, clean content, compared with 211 million pounds for the first 8 months of 1959. Dutiable wool imports totaled 54 million pounds, duty-free wool imports amounted to 110 million pounds, 25.5 and 20.4 percent, respectively, less than in January-August 1959.

The domestic market for shorn wools has been very inactive the last several weeks. Most prices have been unchanged from a month earlier. Trade sources indicated that only a small quantity of the medium wools remain in producers' hands as market interest has shifted to the fine wools. In September, prices of domestic wools at Boston were 2 to 14 percent less than a year before. Fine wools were down more than the medium wools.

The average price received by producers for shown wool during September 1960 was 40.0 cents per pound. This was down from the 41.0 cents received in August 1960 and also less than 43.9 cents received in September 1959.

Prices received for wool in the Australian auctions during the last month have remained relatively stable. Offerings have been heavy, and a good demand at firm prices prevailed. Prices are 10 to 15 percent lower than a year ago. In the South African auction, prices have remained relatively firm as offerings continue heavy. Like those in Australia, they are 10 to 15 percent less than a year ago.

TOBACCO

Around 85 percent of this year's flue-cured crop had been marketed by mid-October. Auction prices for all sales through that date averaged 60.2 cents per pound-- $1\frac{1}{2}$ cents higher than in the corresponding sales period last year. About 3 percent of total market deliveries were placed under Government loan, compared with 3.4 percent in the comparable sales period of 1959. The support level for 1960 flue-cured is $55\frac{1}{2}$ cents per pound, the same as for the 1959 crop in accordance with legislation enacted last February.

Marketings of most other types will begin late this fall or during the winter. Support levels for the 1960 crops of these other types are also the same as in 1959. The 1960 support level for burley is 57.2 cents a pound, and for Maryland, 50.8 cents. The 1959 Maryland crop was not eligible for price

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support as it was not produced under a marketing quota, but the February legislation provided that the 1960 Maryland support level would be the same as for the 1959 crop had that crop received price support. The 1960 support for the fire-cured types is 38.8 cents, and for dark air-cured and sun-cured, 34.5 cents. Support levels for the eligible cigar types range from 23.4 cents for Ohio filler to 39.6 cents for the Connecticut Valley binder types.

Carryovers of most domestic tobaccos, except some cigar types, are lower than a year earlier. The 1960 production of all types combined is estimated to be nearly 8 percent above 1959, with the substantial increase in flue-cured more than offsetting decreases in burley and some of the other kinds. The total supply of flue-cured for 1960-61 is indicated to be a little above 1959-60, but the total supply of burley and most other kinds probably will be lower than a year ago.

The 1960 manufactures of tobacco products, except tobacco for "roll-your-own" cigarettes and plug and scrap chewing, are expected to top 1959. Cigarette output will set a new record high, and production of cigars (including cigarillos) will be the highest since the early 1920's. However, the poundage equivalent of unstemmed tobacco consumed in cigarettes and cigars is not making gains commensurate with the unit increase in output.

Exports of unmanufactured tobacco in calendar 1960 probably will be close to that of 1959, but around 4 percent below the 1949-58 average. For the 1960-61 marketing year, however, tobacco exports are expected to show an increase.

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